

ADMINISTRATION AND FINANCE COMMITTEE

DATE: August 10, 2004

CALLED TO ORDER: 5:00 p.m.

ADJOURNED: 8:33 p.m.

ATTENDANCE

Attending Members

Jackie Nytes, Chairwoman
Vernon Brown
Becky Langsford
Lynn McWhirter
Lincoln Plowman
Joanne Sanders
Steve Talley

Absent Members

AGENDA

Budget Hearing

City-County Council and Clerk
Department of Administration
Administration Services
Human Resources
Equal Opportunity
Indianapolis Fleet Services
Building Authority
Bond Obligations/Debt Service
Channel 16/Cable Communications Agency

ADMINISTRATION AND FINANCE COMMITTEE

The Administration and Finance Committee of the City-County Council met on Tuesday, August 10, 2004. Chairwoman Jackie Nytes called the meeting to order at 5:00 p.m., with the following members present: Vernon Brown, Becky Langsford, Lynn McWhirter, Lincoln Plowman, Joanne Sanders, and Steve Talley. Representing Council staff was Kent Burrow, Chief Financial Officer, and Jean Milharcic, Clerk of the Council.

Budget Hearing

City-County Council and Clerk

Mrs. Milharcic, directed the committee to the updated City-County Council budget packet (Exhibit A, see file). She said the changes are due to the additional \$55,320 from Information Services Agency (ISA) to the Council's budget. She read her remarks found in Exhibit A.

Chairwoman Nytes said at some point she encourages Mrs. Miharcic to work with the Controller's Office, to get the new figures reflected in the budget. Mrs. Miharcic said she has already e-mailed everything to their office.

Councillor McWhirter said on the year-to-date (YTD) figures the overtime is at \$6,482 with a total budget of \$10,000. If they double that amount they will be over budget by the end of this year. Mrs. Milharcic said she has asked the staff to watch their hours and has done some cross training in the office. She said if they need more than 40 hours to get the job done she does understand. Mr. Burrow said part of the reason for the high amount of overtime hours was due to the extra sets of budget hearings in the first quarter that required extra set of minutes and administrative staff.

Mr. Burrow said in the line items in Character 01, Personal Services, (in Exhibit A) they broke out staff's salaries in comparison to Councillor's salaries. These tie back to Line Item 100, Salaries – Bi-Weekly and 110, Salaries – Part Time and Temporary. He said this was done to create a good view of what the actual salaries are.

Councillor McWhirter asked Mrs. Milharcic to explain the \$125,000 YTD out of the \$135,000 budget for Line Item 300, Professional Services. Mrs. Milharcic said this is the amount that is encumbered; there is still \$10,000 left. Councillor McWhirter asked who they are paying in this line item. Mrs. Miharcic said the two Counsels are paid out of this line item.

Councillor Plowman asked what ISA's thought process was with the increase. Mrs. Milharcic said the increase from ISA is for pieces of equipment and how much work will need to be done for maintenance.

Councillor Brown asked if the number of staff increased by one person. Mrs. Milharcic said there were seven full time employees last year and there are eight and a half this year. Councillor Brown asked if the constituent services person was the additional staff. Mrs. Miharcic said they have an Assistant to the President, a Constituent Services Director and a Legislative and Public Affairs Director that was combined with the existing Research Director position. Mrs. Miharcic distributed a handout (Exhibit B) with an overview and summary of responsibilities of the staff.

Chairwoman Nytes asked if one of the positions they increased this year was in last year's allocation. Mr. Burrow replied in the affirmative and said they have budgeted for 9.50 FTEs for 2005 proposed budget (2.50 FTEs less than 2003) but currently have 8.50 FTEs. Chairwoman Nytes said the one other FTE is the staff member on disability. She said actually they did not add positions; in reality they are under the budget. Mrs. Milharcic responded in the affirmative.

Councillor Sanders asked if the \$1,050 difference in Character 02, Materials and Supplies, went into Character 03, Other Services and Charges. Mrs. Milharcic said she had cut in Character 02 because some items can be absorbed in other areas. Councillor Sanders asked what occurred in the ISA 2003 budget, where it was \$1,000 more than it will currently be in 2005. Mr. Burrow said the increase in 2003 was due to the proposal tracking software.

Chairwoman Nytes asked if this year, Line Item 329, Travel and Mileage, will decrease due to major events being held in the City of Indianapolis. Mrs. Miharcic said she only cut the airfare by \$2,000 because the airfare is going up. Chairwoman Nytes asked if Line Item 374, Subscriptions, is reviewed with the Controller's Office to see if additional money can be shared. Mrs. Milharcic said the \$20,000 is for Revised Code book subscriptions. Mr. Burrow said in Exhibit A the line items are broken down to sub-objects to allow the committee to see exactly how the money is spent.

Councillor Sanders asked if there is some type of measurement being used to see if the Council is actually getting value for their subscriptions. Mrs. Milharcic said she did not know anything about any at this point. She said no Councillor has made a complaint to her. Councillor Sanders asked if the updates are quarterly. Mrs. Milharcic replied in the affirmative.

Chairwoman Nytes said for the record there has been no change in the compensation schedule for the Council. Mrs. Milharcic replied in the affirmative and said no changes can be made unless the Council gives themselves a raise.

Department of Administration (DOA) and Administrative Services

Brenda Burke, Director of Administrative Services, explained Exhibit C (see file) and gave an overview of the department by division. She said following her overview each of

her administrators will present their divisions in more detail. Some highlights of the presentation include:

- Their proposed 2005 budget will increase only by 0.8%.
- Administrative Services increase \$12,186 due to increase in group insurance and information technology. Decreases were made in Human Resources, \$167,000, and in Division of Equal Opportunity, \$19,000. There is an increase in Indianapolis Fleet Services (with chargebacks) \$237,000, as a result of increases in union contract salaries, union overtime, group insurance, and repair parts.
- Although fuel cost is projected to increase \$1.1 million in 2005, DOA has been able to offset the increase to \$889,000. They were able to do this by using expenditures in other areas.
- Two positions in the Human Resource division were consolidated to decrease the bi-weekly salaries by \$28,500.

Councillor McWhirter asked where the cuts are being made in worker's compensation. Ms. Burke said they are reducing the out-patient in 2005 because the fund balance has grown over the past several years that will allow them to make this one time reduction. Councillor McWhirter asked if they are not purchasing some equipment they usually purchase. Ms. Burke said the reduction in equipment is the reduction of maintenance services they have outside the building. Councillor McWhirter asked for more details in the group insurance decrease. Ms. Burke said through some negotiations they were able to make the decrease. Councillor McWhirter asked if there is additional cost to the employee. Barbara Lawrence, City Controller, said they are in the final stage of contractual negotiations, trying to make certain they pass along no cost increase to employees.

Councillor Plowman asked if all the charter schools have air conditioning. David Harris, Charter School Director, said he believes all schools have air conditioning, but he is not positive.

Chairwoman Nytes asked if the constituent services in this sense are different from the Mayor's Action Center (MAC). Ms. Burke replied in the affirmative.

Chairwoman Nytes asked if the charter schools has its own budget or is it in the Administrative Services Division. Ms. Burke said it is in the Administrative Services Division, broken down by Administration and Charter Schools Administration. Chairwoman Nytes asked if charter schools are separate and after-school development is not. Ms. Burke replied in the affirmative and said this was for purposes of the budget structure. She said charter schools were broken down in the budget to determine the cost associated to charter schools as opposed to other costs combined in Administrative Services.

Human Resources

Collin Kebo, Administrator of Human Resources Division, presented the 2005 Human Resources budget and gave an overview of the department (Exhibit D, see file). Some highlights of the presentation include:

- Human Resources Division has two sections, Risk Management and Labor/Employee Relations.
- There was a decrease in the worker's compensation dollars and claims filed in 2003, due to the light duty and case management assignments.
- The Human Resources Division has made some technology enhancements; such as employees now can do their benefit enrollment online, enhanced electronic performance appraisal form, electronic personnel action request form, and a new electronic job applicant system, which will allow applicants to send applications electronically.
- The Human Resources Division is an active member of the Employer's Healthcare Forum. In this forum they explore ways on how they can get best pricing and quality from local providers.

Ms. Lawrence said the City and the County have the same health care providers, but different rate structures for their employees.

Councillor Brown asked if having more people in a health plan will help make the rates lower. Mr. Kebo said when they request their renewals they base it on the claims experience for the entire City and County.

Councillor McWhirter asked if they take bids on health insurance every year. Mr. Kebo said in the Indianapolis market the competition is lacking and there are no other Health Management Organization (HMO) providers other than MPlan and Advantage.

Councillor McWhirter asked if they can use plans other than HMOs. Mr. Kebo said these have been the plans in place for a number of years. They are looking into other options, such as being self-insured and other health plans. Ms. Burke said every year they do sit down with the Controller's Office and a consultant group to check the market and look at how many claims they actually have. Ms. McWhirter asked if statistics are available on the progress of the Wellness program. Mr. Kebo said that he will explain the Wellness program in the next presentation slide.

- The Wellness program uses health behavior management strategies to control rising health care costs. It is estimated that 20% of their health care plans account for 80% of the total cost. The program started in October 2003, and they have already seen significant results in return investments.

- There has been an employee application increase since 2001 and a reduction in the number of open positions.

Chairwoman Nytes asked if the employment chart includes applications for all employees across the City. Mr. Kebo said it includes all employees but the sworn police officers. Councillor Nytes asked if the high turnover rate has anything to do with the package of benefits and salaries being offered to sworn employees as compared to other employees. Mr. Kebo said generally the benefit package is the same for all employees.

- The total increase in their budget is \$23,000 and the total decrease was \$190,000. The net decrease is over \$167,000.

Chairwoman Nytes asked how the new technology enhancements are being paid for since they proposed a decrease in their information technology. Mr. Kebo said the new technology enhancement will be paid for through the 2003 and 2004 budget.

Chairwoman Nytes asked if there is any program for employees who are willing to ride public transportation to receive some type of voucher to help with cost in transportation. Mr. Kebo said they have not looked into such a program. Chairwoman Nytes asked if this might be a way to encourage ridership of IndyGo by City employees and reduce the demand for parking spaces. Ms. Lawrence said in some departments they may need to look City-wide and in fact pay for bus passes for those who choose to ride public transportation.

Councillor Sanders asked if there is some compensation to those employees who choose not to use the insurance program that is available to them. Mr. Kebo said he believes the compensation is about \$20.00. Councillor Sanders asked in what line item this is shown. Mr. Kebo said this would be found in the total balance. Ms. Lawrence said the City allocates \$43,000 to cover about 200 people on the City side.

[Clerk's note: The Chairwoman asked to refer again to the charter school presentation for additional questions.]

Councillor McWhirter asked what the cost of the after school program is to the City. Ms. Burke said she does not have the actual figure, but will provide the committee with that information. Councillor McWhirter asked for examples of what the program will provide. Jeff Seidenstein, Budget Manager, Controller's Office, said the actual after-school program is run through the Parks and Recreation Department and they are using a lot of grants for the program.

Councillor Nytes asked if there is a vacant position in charter school administration. Ms. Lawrence said she believes that someone was charged through administrative services rather than charter schools.

Equal Opportunity

Robert Ransom, Administrator of the Equal Opportunity Division, presented the 2005 Equal Opportunity Division budget and gave an overview of the division (Exhibit E, see file). Some highlights of the presentation include:

- The number of applications for Minority/Women Business Enterprises (M/WBE) certifications has increased since 2003 and the projections for 2005 show certifications over 500.
- Some initiatives in M/WBE are to enhance the M/WBE program by monitoring contracts, evaluating all bids that come through the City to ensure the use of M/WBE, and continuing outreach efforts to the M/WBE community.

Chairwoman Nytes asked what a second tier program is. Mr. Ransom said the second tier would contract through a sub-contractor to provide additional service in other areas.

Councillor Langsford asked if they check to see if the amount offered to the minority contractor is given. Mr. Ransom said they do evaluations to make sure the bidder is complying with their goals.

Mr. Ransom added that in the area of adjudication, which is the processing of complaints that are filed, they currently have 218 cases and their goal is to resolve those complaints in a timely manner. Their case load has reduced in the past six months compared to 2003.

Chairwoman Nytes asked if the number of caseloads in the monthly comparison are new cases. Mr. Ransom said these are the number of open cases at that particular time. Chairwoman Nytes asked how many complaints are filed in a year. Mr. Ransom said about a 150 complaints are filed in a year. Chairwoman Nytes asked if there are usually some cases that are still open the following year. Mr. Ransom replied in the affirmative and said there usually is a rollover of 50 cases from one year to the next. Ms. Burke said some files are left open because they are still pending significant information.

Councillor Talley asked how long it takes them to hear a case. Mr. Ransom said they usually get the case to a panel within 180 days from the file date.

Mr. Ransom stated that another area of the division is the Indianapolis Commission on African-American Males (ICAAM). The mission of ICAAM is to convene and facilitate committed partners to identify core issues as they affect the African-American male and his family.

Councillor Nytes asked what is the relationship between this commission and the Father Resource Program. Mr. Ransom said they collaborate together on different initiatives.

Mr. Ransom concluded by saying that in Character 01, Personal Services, there is a slight increase due to one employee going to family insurance. There was a decrease in Character 03, Other Services and Charges, by \$24,000. The overall reduction in their budget is \$19,000.

Indianapolis Fleet Services (IFS)

Bill Rogers, Administrator of Indianapolis Fleet Services, presented the 2005 Fleet Services budget and gave an overview of the division (Exhibit F, see file). Some highlights of the presentation include:

- IFS manages and monitors over 3,500 vehicles and equipment: 2,880 rolling stock (City vehicles) and 713 non-rolling stock (City equipment).
- They have been maintaining 97% fleet availability for all customers and have processed over 440 vehicles and equipment.

Councillor Nytes asked if these are the numbers for the 2003 year. Mr. Rogers said these are the numbers of 2004 and can change as they complete the year.

Councillor Plowman asked for an example of equipment that is non-rolling stock. Mr. Rogers said trailers and miscellaneous attachments used with a rolling stock unit.

Mr. Rogers continued with highlights:

- Their focus for 2005 will be on mission-essential and safety- related repairs and preventative maintenance.
- Their total proposed 2005 budget is \$16.9 million minus chargebacks, for a net of \$13.4 million. The significant increase in the budget will be fuel, which makes up 90% of the increase. The significant decrease in the budget will be lease and rental of equipment. They have not budgeted for new vehicle purchases or leases.

Councillor Nytes asked if they expect a decrease in their inventory for vehicles. Mr. Rogers said this is still an open question; departments are looking at their core operations to make that determination. Ms. Lawrence said right now they have not made any recommendation for change, but by the end of the year there may be some recommendations on the table.

Councillor Brown asked how much they pay for a gallon of fuel. Mr. Rogers said the current price as of last week was \$1.48 and the price for this week is \$1.42. Councillor Brown asked if they buy more gallons does the price decrease. Mr. Rogers said the pricing is based on the average rack price for this specific region and the price for the

mark-up is added on. Ms. Lawrence said they do see some benefits by buying in bulk and they also do not pay the gas taxes.

Chairwoman Nytes asked if the County gas prices are in the same negotiations. Mr. Rogers said they are allocated for fuel.

Councillor Sanders asked if they are operating under a deficit due to the Sheriff's Department not being able to make payments to them at this point. Mr. Rogers said they are operating under a deficit until the Sheriff's Department can start making payments.

Chairwoman Nytes said in past years the Sheriff was more confident that he would have some underspending in other areas to transfer funds. With the position of the County budget now, they cannot see where a transfer or appropriation can be made. Chairwoman Nytes asked where in their budget can they find the income coming into the County. Ms. Lawrence directed the committee to Line Item 840, Intragovernmental. She said this would not only be the Sheriff, but some of the school districts. Mr. Rogers said they have about 26 non-City agencies to whom they provide fuel. Chairwoman Nytes asked if they provide other services to the agencies. Mr. Rogers said right now it is just fuel.

Councillor Sanders said they are half way through the year, and based on this experience they can possibly be \$1.5 million over budget by the end of the year. Mr. Rogers said this is possibly and the issue is being addressed. Ms. Lawrence said the City may need to make another appropriation for fuel.

Chairwoman Nytes asked if the fund for fuel may come out of Consolidated County on the City side. Mr. Seidenstein said the appropriation would be out of the Consolidated County Fund and other departments will pay the chargebacks through their appropriate fund.

Councillor Plowman asked how much the Sheriff owes for fuel. Mr. Rogers said he does not know the exact amount, but will get that information to the Committee. Councillor Plowman asked if the amount is for fuel purchased at the City pumps or at commercial pumps. Mr. Rogers said the Sheriff uses 25% of the actual commercial fuel budget. The amount owed is a combination of both fuel sites. Councillor Plowman asked if they pay for fuel used at commercial pumps. Mr. Rogers replied in the affirmative and said it is a chargeback.

Chairwoman Nytes asked if it would be possible to notify County elected officials of what their costs are each month for fuel. Ms. Burke replied in the affirmative.

Councillor Langsford asked if the fuel price at the commercial pumps and City site are the same. Mr. Rogers replied in the negative and said there is a ten cent difference between the City pump and the commercial pumps. Councillor Langsford asked if they negotiate for an entire year for fuel. Mr. Rogers said their contracts with Speedway are for two years.

Chairwoman Nytes asked if they still keep their contracts with Speedway due to the number of locations around the County. Mr. Rogers replied in the affirmative and said they have 14 City fuel sites in the Indianapolis area. He added that the City uses an average of 65 million driven miles a year.

Chairwoman Nytes asked why there is such a significant increase in fuel gallons. Mr. Rogers said those are projected gallons in 2005, based on what has been used in 2004. In some cases the fuel usage was high due to weather or special events. He said a majority of the increase was actually on the public safety side. Department of Public Works (DPW) only increased 1.6%.

Councillor Sanders asked if they use a surcharge during special events. Ms. Lawrence replied in the negative and said this is something they can look into.

[Clerk's note: Councillor Talley left at 7:05 p.m.]

Councillor McWhirter asked why their overtime is so high. Mr. Rogers said this is an issue with their manpower and out-sourcing. They cannot out-source a particular job and need personnel available. He said they are working with the Controller's Office on this issue. Councillor McWhirter asked what is causing the overtime. Mr. Rogers said request for maintenance increases during special events and bad weather. Councillor McWhirter asked for an example of what caused the increase in this six-month period. Mr. Rogers said they increased runs in the fire department.

Councillor Nytes asked if the real problem is with the budgeted number. Mr. Rogers said this is possible.

Councillor Plowman asked if they repair any of the IndyGo buses. Mr. Rogers said IndyGo has their own facility.

Building Authority

Chairwoman Nytes said Building Authority's budget is a separate because their budget is not a part of the City or County appropriation process. She directed the committee to Exhibit G (see file).

Ron Reinking, General Manager of Building Authority, presented the 2005-2006 Building Authority budget and gave an overview of the agency (Exhibit G). Some highlights of the presentation include:

- Building Authority provides property management services to the City of Indianapolis and Marion County.

- They have no taxing authority and their only income is through rental leases from property they manage.
- Property they maintain is either through a lease or management contract.
- All Building Authority properties represent a decrease of \$173,000.
- They have no operating cost increase, with the exception of the Arrestee Processing Center. The reason for the increase is due to warranties expiring, and maintenance and repairs have to be budgeted for.
- Their electrical cost will increase due to rates increasing by 7% for their smaller buildings and 5% for their larger buildings. The increase is \$105,000.
- The Building Authority will have to offset more than \$200,000 in operating cost increases to make their proposed budget work.
- They have suggested ways to help prevent other increases in their budget. They are looking at increased deductibles for property insurance, decreases in their cleaning programs, changing heating and cooling temperatures, etc.

Councillor Brown asked if Building Authority is a private business. Mr. Reinking said they are a municipal corporation, who operates like a contractor. Councillor Brown asked if they have to report to any elected officials. Mr. Reinking said they have a board of directors who are appointed by the Board of Trustees. Councillor Brown asked how many properties they manage. Mr. Reinking said they have about 22 properties they manage. Councillor Brown asked if there is bidding involved to manage these properties. Ms. Lawrence replied in the negative and said they are quasi-governmental properties and there is no process of bidding.

Councillor Sanders asked how many full-time staff is distributed across the budget. Mr. Reinking said there are 78 full-time positions and 7 part-time. Councillor Sanders asked if this includes the maintenance workers. Mr. Reinking replied in the affirmative. Councillor Sanders asked why payroll taxes and salaries are increasing in the City-County building budget under Line Item 603, Building Authority. Mr. Reinking said from the budget before they are looking at a 1.5% increase, there are no personnel increases in the budget. Councillor Sanders said in the City-County budget, Line Item 603, there is an increase of \$18,000. Mr. Reinking said he would have to look at the back-up budget to understand the increase. Councillor Sanders asked if some of the increases could be reflected in shifts and actual on-site services. Mr. Reinking replied in the affirmative. Councillor Sanders asked if the bidding process for custodial contracts are across all buildings. Mr. Reinking replied in the negative. Councillor Sanders asked if some of the buildings have a separate custodial contract. Mr. Reinking replied in the

affirmative. Councillor Sanders asked how many vendors currently have contracts for custodial services. Mr. Reinking said there are three vendors. Councillor Sanders asked if they can share information that is in the contacts. Mr. Reinking said he would be happy to share that information.

Councillor McWhirter asked for clarification if they are not increasing their personnel or the salary for personnel. Mr. Reinking said they are decreasing personnel by one person and there is no provision for a pay raise.

Councillor Plowman asked where the Marion County Sheriff Department (M.C.S.D) Roll Call Site is located. Mr. Reinking said the Call Site is located at 46th Street and Shadeland Avenue.

Chairwoman Nytes asked if there have been comparisons on the cost to manage their properties and the properties they do not manage. Mr. Reinking said that he is not aware of any. Chairwoman Nytes asked who the Council would direct this question to. Ms. Lawrence said it depends on if it is City or County property. Chairwoman Nytes asked whose budget is paying for the space known as the "lock-up". Mr. Reinking said this is still in the Sheriff's budget.

Councillor Brown asked if they have their own human resource department for hiring. Mr. Reinking said they are independent and their supervisors do the hiring. Councillor Brown asked how the purchasing of contracts works. Mr. Reinking said the Board of Directors handles purchasing of contracts.

Councillor Sanders asked if there is a bottom line figure on how much the Building Authority cost has increased since the Arrestee Processing Center. Mr. Reinking said there was a total increase because the space that was vacated is occupied.

Chairwoman Nytes asked what kind of fund balance they have. Mr. Reinking said they have a separate budget for every property and they maintain a major repair budget for separate properties. The largest repair budget is for the City-County building at \$2.3 million. Chairwoman Nytes asked if they have a long-term strategy in terms of the City-County building. Mr. Reinking said they have a five-year plan for major repairs.

Bond Obligations/Debt Service

Barbara Lawrence, City Controller, presented the 2005 Bond Indebtedness budget and gave an overview (Exhibit H). Some highlights of the presentation include:

- The outstanding bond debt is \$1.075 billion, classified in four primary types: Redevelopment/Tax Increment Financing (TIF), \$441 million; General Obligation (GO), \$244 million; Revenue, \$255 million; and United Airlines facility, \$135 million. They have about 47 outstanding bond issues.

Chairwoman Nytes asked how many bond issues are in the Redevelopment/TIF. Ms. Lawrence said there are 13 bond issues.

Ms. Lawrence added that in the GO category, some of the bond debt services are sanitation, City, Metropolitan Development, Parks, Metropolitan Emergency Communication Agency (MECA), and Redevelopment.

Councillor McWhirter asked why Parks is increasing in 2007. Ms. Lawrence said this is due to the structure of the transaction. Amy McFadden, Deputy Controller, said this also will be where the final payment will be made, which is a large payment.

Councillor Plowman asked what the bond interest rates are. Ms. Lawrence said it varies. Most of these bonds are on a fixed rate. She said they also look for opportunities to refinance the bonds. Councillor Plowman asked how the debt ratio compares to other Cities. Ms. Lawrence said she could get information on that but it compares pretty favorably. Councillor Plowman asked if they have a good bond rating. Ms. Lawrence replied in the affirmative and said they have AA and AAA ratings.

Chairwoman Nytes asked if by 2007 the City will not have any GO debt. Ms. Lawrence replied in the affirmative in terms of who the issuing entity is. She added that revenue bond debts are revenues used other than property taxes. These services include sanitation, transportation, Parks, State Revolving Fund (SRF) 2004, flood control, MECA, and Fall Creek Place.

Chairwoman Nytes asked how Fall Creek Place is a revenue bond. Ms. Lawrence said it is a revenue/TIF bond. Chairwoman Nytes asked if the TIF nature of the bond has them treat it like a revenue bond. Ms. Lawrence replied in the affirmative.

Ms. Lawrence said that the Redevelopment/TIF debt service includes downtown, Harding Street, 96th Street, 86th Street, Ameriplex, United Airlines (UAL), and Whispering Hills TIF.

Chairwoman Nytes asked if all these TIFs pay for themselves. Ms. Lawrence said the Harding Street TIF still runs in a deficit and the City had to make arrangements with Eli Lilly.

Councillor McWhirter asked how much they owe Eli Lilly. Ms. Lawrence said she was not sure and will provide the committee with that information.

Channel 16/Cable Communications Agency

Rick Maultra, Director of the Cable Communication Agency, presented the 2005 Cable Communications Agency and Channel 16 budget and gave an overview the agency (Exhibit I). Some highlights of the presentation include:

- Cable Communication Agency's mission is to oversee cable franchise compliance and contractual obligations, mediates complaints by cable subscribers, researches new communication models and technologies, etc.
- Channel 16 and Government TV2 serve as impartial, objective, non-commercial community resources by providing timely news and information and access opportunities for programs.
- They have brought in over \$800,000 in unanticipated revenues to the City and anticipate bringing in \$7 million in cable fee revenues to the City General Fund.
- They have produced over 840 hours of new production in 2003 and meeting coverage has increased 7%.
- In their proposed 2005 budget they have a \$9,306 net increase in Character 01, Personal Services, due to group insurance and retirement fund. Character 03, Other Services and Charges, has a decrease of \$23,612 due to several decreases, including Information Technology.
- Overall their net decrease is \$19,197 (2.2%).

Councillor Sanders asked if there is a set number of times shows have to be broadcast. Ken Montgomery, Channel 16 General Manager, said it depends on how busy a given week is.

Councillor Plowman asked when the contract with current cable providers expires. Mr. Maultra said they expire in 2008.

Councillor McWhirter asked if there are other cable providers they negotiate with. Mr. Maultra said they negotiate with the current cable providers, unless someone buys out the cable company.

Councillor Sanders asked if the \$7 billion in franchise fees is something they anticipate annually. Mr. Maultra said they are unanticipated revenues and should go up every year with rate increases.

Chairwoman Nytes asked what fund the revenues collected from cable franchise fees are deposited in. Mr. Maultra said the County Consolidated Fund.

Administration and Finance Committee

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CONCLUSION

With no further business pending, and upon motion duly made, the Administration and Finance Committee of the City-County Council was adjourned at 8:33 p.m.

Respectfully submitted,

Jackie Nytes, Chairwoman
Administration and Finance Committee

JN/as

